



Utah
2009

**Composite Return
for Nonresident
Professional
Team Members**

Form TC-65PA
Tax Return and Instructions

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134
www.tax.utah.gov

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Online Services



Visit our website for detailed tax information and all Utah State tax forms and instructions.

tax.utah.gov

Utah accepts electronic filing for C Corporations and S Corporations.

tax.utah.gov/corporate/eleccorp.html

Pay tax due and make payments online with a credit card or e-check.

taxexpress.utah.gov



References

UC: Utah Code

IRC: Internal Revenue Code

Need forms?

Print online at **tax.utah.gov/forms**,
or call 801-297-6700 or
1-800-662-4335, ext. 6700

Need more information?

Telephone 801-297-2200 or
1-800-662-4335

Webpage **tax.utah.gov**

Utah Taxpayer Advocate Service

Utah Taxpayer Advocate Service

The Taxpayer Advocate Service assists taxpayers who have made multiple unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal departmental processes break down, identifies why the problem occurred and suggests remedies to stop the problem from reoccurring. See details at **tax.utah.gov/contact.html?tab=advocate** or contact us to find out if you qualify for this assistance at 801-297-7562, toll free at 800-662-4335, ext. 7562, or by email at **taxpayeradvocate@utah.gov**.

E-Verify for Employers

Employers can help prevent identity theft by verifying the social security numbers of job applicants. E-Verify is a free service of the U.S. Department of Homeland Security that verifies employment eligibility through the Internet. Employers can use E-Verify at **www.dhs.gov/E-Verify**.

General Instructions for TC-65PA

Who May File This Return

Professional athletic teams may file this return only on behalf of nonresident team members that meet all of the following conditions.

1. Utah **nonresident** team members included on the return may not have income from Utah sources other than team compensation. Utah **resident** team members may not be included on a composite return.
2. Utah nonresident team members entitled to any Utah credits, may not be included in a composite filing, but must individually file form TC-40, Utah Individual Income Tax Return.
3. Participating team members acknowledge through their election to be included in a composite return that the composite return constitutes an irrevocable filing and they may not file a Utah individual income tax return for the same year.

Due Date

A return must be filed on or before the 15th day of the fourth month following the close of the team's taxable year. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

Filing Extension

Taxpayers are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return – NOT an extension of time to pay taxes.** To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and the return must be filed within the six-month extension period.

Extension Prepayments

The required extension prepayment must equal:

- 90 percent of the current year's tax liability, or
- 100 percent of the previous year's tax liability.

Prepayments are made using form TC-559, *Payment Coupon for Utah Corporation Franchise/Income Tax*.

Where to File

Send your return, along with any payment, to:

Utah State Tax Commission
210 N 1950 W
SLC, UT 84134-0270

What to Attach and What to Keep

Include the following with form TC-65PA. Also, keep copies of these with your tax records.

- Team Members Compensation, Schedule(s) N

Do not send a copy of your federal return, worksheets or other documentation with your Utah return. Keep these, along with any supporting documentation, in your files. **You may be asked to furnish this information later to verify entries on your Utah return.**

Name or Address Changes

Changes (e.g., name change, physical or mailing address changes) must be reported in writing to:

Master File Maintenance
Utah State Tax Commission
210 N 1950 W
SLC, UT 84134-3310

Rounding Off to Whole Dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

Penalties

Utah law (UC §59-1-401) provides penalties for failure to file tax returns by the due date, failure to pay tax due on time, failure to make sufficient payment prepayment on extension returns, and failure to file information returns or supporting schedules. See details and additional penalties at tax.utah.gov/billing/penaltyinterest.html and in Pub 58, *Utah Interest and Penalties*, online at tax.utah.gov/forms.

Interest (in addition to penalties due)

Interest will be assessed on any underpayment from the original due date until any outstanding liability is paid in full. The interest rate for most taxes and fees administered by the Tax Commission for the 2010 calendar year is **3 percent**.

Pub 58, which contains applicable interest rates, is available on the Internet at tax.utah.gov/forms or by calling or writing the Tax Commission.

Definitions

1. Professional athletic team includes any professional baseball, basketball, football, soccer or hockey team.
2. Team member includes those employees who are active players, players on the disabled list, and any other persons required to travel and who do travel with and perform services on behalf of a professional athletic team on a regular basis. This includes coaches, managers and trainers.

3. Duty days means all days during the taxable year from the beginning of the professional athletic team's official preseason training period through the last game in which the team competes or is scheduled to compete.
 - a. Duty days shall also include days on which a member of a professional athletic team renders a service for a team on a date that does not fall within the period described in 3. For example, participation in instructional leagues, the Pro Bowl or other promotional caravans. Rendering a service includes conducting training and rehabilitation activities, if conducted at the facilities of the team.
 - b. Included within duty days shall be game days, practice days, days spent at team meetings, promotional caravans, and preseason training camps, and days served with the team through all postseason games in which the team competes or is scheduled to compete.
 - c. Duty days for any person who joins a team during the season shall begin on the day that person joins the team, and for a person who leaves a team shall end on the day that person leaves the team. If a person switches teams during a taxable year, a separate duty day calculation shall be made for the period that person was with each team.
 - d. Days for which a team member is not compensated and is not rendering services for the team in any manner, including days when the team member has been suspended without pay and prohibited from performing any services for the team, shall not be treated as duty days.
 - e. Days for which a team member is on the disabled list shall be presumed not to be duty days spent in the state. They shall, however, be included in total duty days spent within and outside the state.
 - f. Travel days that do not involve either a game, practice, team meeting, promotional caravan or other similar team event are not considered duty days spent in the state. They shall, however, be included in total duty days spent within and outside the state.
4. Total compensation received from a professional athletic team means the total compensation received during the taxable year for services rendered:
 - a. from the beginning of the official preseason training period through the last game in which the team competes or is scheduled to compete during that taxable year; and
 - b. during the taxable year on a date that does not fall within the period in 4a, such as participation in instructional leagues, the Pro Bowl, or promotional caravans.
5. Total compensation includes salaries, wages, bonuses and any other type of compensation paid during the taxable year to a team member for services performed in that year.
 - a. Total compensation shall not include strike benefits, severance pay, termination pay, contract or option-year buyout payments, expansion or relocation payments, or any other payments not related to services rendered to the team.
 - b. Bonuses subject to the compensation calculation are:
 - 1) bonuses earned as a result of play during the season, including performance bonuses, bonuses paid for championship, playoff or bowl games played by a team, or for selection to an all-star league or other honorary positions; and
 - 2) bonuses paid for signing a contract, unless all of the following conditions are met:
 - a) the payment of the signing bonus is not conditional upon the signer playing any games for the team, or performing any subsequent services for the team, or even making the team;
 - b) the signing bonus is payable separately from the salary and any other compensation; and
 - c) the signing bonus is nonrefundable.

Instructions for TC-65PA – Utah Composite Return for Nonresident Professional Team Members

Team Name and Address

Enter the team name, address and telephone number, including area code. If the address has changed, check the physical address and/or mailing address box. To make additional changes, see Name or Address Changes in the General Instructions.

Zip Code

Enter your ZIP Code, including the “plus four.”

Foreign Country

If the address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the city field. Enter only the foreign country name in the field titled “foreign country.”

Team Employer Identification Number

Enter the federal Employer Identification Number (EIN) for the team.

Filing Period

If the return is being filed for a period other than the calendar year ending Dec. 31, 2009, enter the beginning and ending tax period dates at the top, where indicated. Enter both the beginning and ending tax period dates in the format: mm/dd/yyyy.

Amended Returns

To amend a previously filed return, use the tax forms and instructions for the year you are amending. You can obtain prior year forms and instructions at tax.utah.gov/forms.

An amended return should be filed promptly if:

- An error is discovered on your Utah or federal return after it has been filed; or
- Your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must report such changes or corrected net income within 90 days of the IRS’s final determination.

To amend a previously filed return, enter on page 1 of the Utah return on the line titled “IF AMENDED RETURN” a code number that best corresponds to your REASON FOR AMENDING. See codes below.

Reason-for-Amending Codes

- 1 You filed an amended return with the IRS (attach a copy of your amended federal return).
- 2 You made an error on your Utah return (attach an explanation of the adjustment made).

- 3 Federal audit adjustments, which resulted in changes in federal taxable income, were issued and became final (attach a copy of the IRS adjustment).

- 4 Other (attach explanation to return).

Complete the return, entering the figures as corrected. Enter other amounts as shown on your original return. If you received a refund on your original return, subtract the previous refund (exclude refund interest) from the amount of any tax paid with the original return and/or subsequent payments of the tax prior to filing the amended return. Enter the net amount on line 4. A net refund should be entered as a negative amount (preceded by a minus sign).

Do not submit a copy of your original return with the amended return.

Federal Form 8886

If you filed federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service, enter an “X” at the top of your TC-65PA, as indicated.

Line-by-Line Instructions

Line 1 – Utah Composite Return Taxable Income

Enter the income attributable to the nonresident team members listed on the TC-65PA, Schedule N.

Line 2 – Utah Tax

Multiply the Utah composite return taxable income on line 1 by 5% (.05).

Line 3 – Prepayments Made for the Year

A refundable credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayments from a prior year that were applied to this year.

Line 4 – Amended Returns Only

This line is only for amended returns. Enter the amount of tax paid with the original return and/or subsequent payments made prior to filing this amended return, less any previous refunds (exclude refund interest). A net refund should be entered as a negative amount (preceded by a minus sign).

Line 5 – Total Payments

Enter the total of line 3 and line 4.

Line 6 – Tax Due

If the tax amount shown on line 2 is greater than the total payments amount shown on line 5, subtract line 5 from line 2.

Line 7 – Penalties and Interest

Enter the total penalties and interest.

Line 8 – Pay This Amount

Add line 6 and line 7. Make check or money order payable to the Utah State Tax Commission. Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in the mail.

Line 9 – Overpayment

If the total payments amount shown on line 5 is greater than the tax amount shown on line 2, subtract line 2 from line 5.

Line 10 – Amount of Overpayment to be Applied to Next Year's Tax

All or part of any overpayment shown on line 9 may be applied as an advance payment for the next tax year. Enter amount to be applied (may not exceed the overpayment on line 9).

Line 11 – Refund

Subtract line 10 from line 9. This is the amount to be refunded to you.

Signature

The return must be signed by an individual authorized to sign for the team.

Paid Preparer Authorization

If the professional team wants to allow the Tax Commission to discuss their 2009 return with the paid preparer who signed it, enter an "X" in the box on the right side of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the professional team is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- Give the Tax Commission any information that is missing from the return,
- Call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- Respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The professional team is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the entity wants to expand the preparer's authorization, complete and submit to the Tax Commission form TC-737, *Power of Attorney and Declaration of Representative*. Get form TC-737 online at tax.utah.gov/forms.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2010 tax return. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

Paid Preparer

The paid preparer must enter his or her name, address, and social security number or PTIN in the section below the authorized representative's signature on the return.

Preparer Penalties

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalties (second degree felony with a fine from \$1,500 to \$25,000). See Utah Code §59-1-401(9) and (10).

Payment Options

You may pay any tax online with a credit card or an electronic check (ACH debit) from your bank account. You may pay in full or make partial payments throughout the year. Online payments may be subject to a service fee.

To pay online, access taxexpress.utah.gov and follow the step-by-step instructions.

You may also mail your check or money order payable to the Utah State Tax Commission with your return. Be sure to write the team EIN, daytime telephone number and "2009 TC-65PA" on your check. **DO NOT STAPLE check to return.** Remove the check stub before sending. **DO NOT MAIL CASH with your return.** The Tax Commission assumes no liability for loss of cash placed in the mail.

Mail your return, and payment if applicable, to the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0270. If mailing your payment separate from your return include form TC-544, *Partnership Tax Payment Coupon*, but do **NOT** send another copy of your tax return with your payment. Doing so may delay posting of your payment.

ALLOW AT LEAST 90 DAYS FOR YOUR RETURN TO BE PROCESSED.

Penalty and Interest

Penalty and interest, if applicable, will be billed. Penalty and interest charges are explained in the *Penalties and Interest* instructions on page 1.

Payment Agreement Request

If you cannot pay the full amount you owe, you may register on Taxpayer Access Point (TAP) at tap.tax.utah.gov and submit an "Add Manual request" for a payment plan. Or, you may contact the Tax Commission at 801-297-7703, or if outside the Salt Lake area 1-800-662-4335 extension 7703.

TAP is a feature of TaxExpress.utah.gov. It allows many free services, including e-file and e-pay, as well as allowing you to monitor your own tax account and request a pay plan.

Pay plan requests will be considered after your return is processed. If accepted, you will receive a letter stating the terms and conditions of the agreement. A pay plan does not stop penalty and interest from accruing and we may still file a tax lien to secure the debt.

You may make payments prior to approval of the pay plan or prior to receiving a billing notice. If you do not submit a payment agreement request form, a billing notice for the full amount due, including penalty and

interest, will be mailed to you. Upon receiving this notice, you must pay the total amount due, or request a formal payment agreement by completing and mailing form TC-804B or calling 801-297-7703 or 1-800-662-4335 ext. 7703.

Payments may be submitted prior to approval of the payment agreement request or billing notice, per the instructions above.

Instructions for Schedule N – Team Members Compensation

Recordkeeping Requirements

Professional athletic teams filing on behalf of non-resident team members shall keep adequate records to substantiate their reporting or to permit a determination by the Tax Commission of the team members' team compensation that was derived from or connected with sources in this state.

Compensation Attributable to Utah

Nonresident team members are subject to Utah income tax for the total compensation received from a professional athletic team for services performed for the team in Utah. This calculation is made by multiplying the team member's total team compensation (line E) by a fraction:

- the numerator of which is the number of duty days spent by the team member in Utah (line C), and
- the denominator of which is the total number of duty days spent by the team member both within and outside Utah (line D).

Enter the result for each nonresident team member on line F.

65921

9999

Utah Composite Return for Nonresident Professional Team Members

2009
TC-65PA

 For the 2009 calendar year, or fiscal year _____ to _____
 mm/dd/yyyy mm/dd/yyyy

• _____ IF AMENDED RETURN - ENTER CODE (1-4) from page 2

• _____ Mark "X" if you filed federal Form 8886

Mark "X" if this is a new address: • _____ Physical address • _____ Mailing address	Team name			Team Employer Identification Number: _____
	Team address			
	City	State	ZIP +4	
	Foreign country (if not U.S.)		Telephone number	

- | | | | |
|---|------|-------|-----|
| 1. Utah composite return taxable income (attach TC-65PA, Sch. N) | • 1 | _____ | .00 |
| 2. Utah tax (multiply line 1 by 5% (.05)) | 2 | _____ | .00 |
| 3. Prepayments made for tax year | • 3 | _____ | .00 |
| 4. Amended returns only (see instructions) | • 4 | _____ | .00 |
| 5. Total payments – Add line 3 and line 4. If less than zero, enter "0" | 5 | _____ | .00 |
| 6. Tax Due – If line 2 is greater than line 5, subtract line 5 from line 2 | • 6 | _____ | .00 |
| 7. Penalties and interest (see instructions) | 7 | _____ | .00 |
| 8. Pay this amount | • 8 | _____ | .00 |
| Add line 6 and line 7. Make check payable to Utah State Tax Commission | | | |
| 9. Overpayment – If line 5 is greater than line 2, subtract line 2 from line 5 | • 9 | _____ | .00 |
| 10. Amount of overpayment on line 9 to be applied to next year's tax | • 10 | _____ | .00 |
| 11. Refund – Subtract line 10 from line 9 | 11 | _____ | .00 |

USTC USE ONLY

 Under penalties of perjury, I declare to the best of my knowledge and belief,
 this return and accompanying schedules are true, correct and complete.

SIGN HERE	Signature of officer	Title	Date	<input type="checkbox"/> Check here if the Tax Commission may discuss this return with the preparer shown below (see page 5)	
	Preparer's signature				Date
	Name of preparer's firm (or yourself, if self-employed)			Preparer's phone no.	Preparer's SSN or PTIN
	Preparer's complete address (street, city, state, ZIP)				Preparer's EIN

**Paid
Preparer's
Section**

TC-65PA Schedule N
Team Members Compensation*Duplicate this form as needed.*

Team Employer Identification Number: _____

▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E
▶ _____		_____	
A. Team member SSN or EIN		B. Team member name	
_____	_____	_____ . 00	_____ . 00
C. Duty days in Utah	D. Total duty days	E. Team member team compensation	F. Compensation attributable to Utah (Line C ÷ Line D) x Line E

Total – Add the amounts on each Line F: _____ . 00
Enter on TC-65PA, line 1